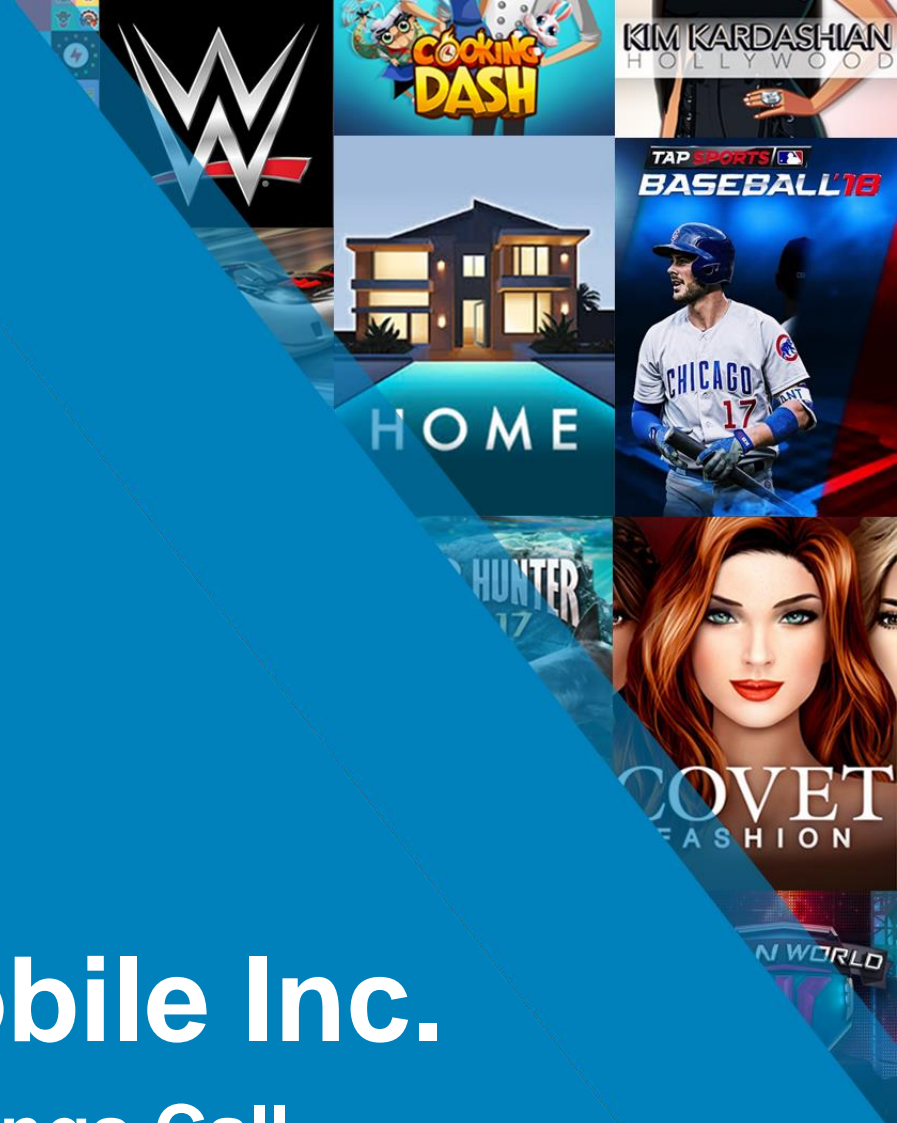




Glu Mobile Inc.

Q418 Earnings Call

February 4, 2019



Safe Harbor Statement

This presentation contains "forward-looking" statements including those regarding our Q1 2019 and FY 2019 non-GAAP guidance, expectations for 2019 for our core business and our two new titles that are currently in beta, our product roadmap, long-term margin targets, and statements including words such as "anticipate," "believe," "estimate," "expect," "may," "will," "plan," "intend," "could," "continue," "remain," "potential" and similar expressions or variations, as well as statements in the future tense. These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. Investors should consider important risk factors, which include: consumer demand for smartphones, tablets and next-generation platforms does not grow as significantly as we anticipate or that we will be unable to capitalize on any such growth; the risk that we do not realize a sufficient return on our investment with respect to our efforts to develop free-to-play games for smartphones and tablets; the risk that we will be unable build successful Growth titles that provide predictable bookings and year over year growth; the risk that we do not maintain our good relationships with Apple and Google; the risk that Glu does not realize the anticipated strategic benefits from its license agreements and strategic investments; the risk that our development expenses are greater than we anticipate or that we experience product delays; the risk that our recently and newly launched games are less popular than anticipated; the risk that our newly released games will be of a quality less than desired by reviewers and consumers; the risk that the mobile games market, particularly with respect to social, free-to-play gaming, is smaller than anticipated; and other risks detailed under the caption "Risk Factors" in our Form 10-Q filed with the Securities and Exchange Commission on November 8, 2018 and our other SEC filings. You can locate these reports through our website at <http://www.glu.com/investors>.

These "forward-looking" statements are based on estimates and information available to us on February 4, 2019 and we are under no obligation, and expressly disclaim any obligation, to update or alter our forward-looking statements whether as a result of new information, future events or otherwise."

Use of Non-GAAP Financial Measures

Glu uses in this presentation certain non-GAAP measures of financial performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation from, as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and may be different from non-GAAP financial measures used by other companies. In addition, these non-GAAP measures have limitations in that they do not reflect all of the amounts associated with Glu's results of operations as determined in accordance with GAAP. The non-GAAP financial measures used by Glu include bookings, Adjusted platform commissions, Adjusted royalties, Adjusted research and development expense, Adjusted sales and marketing expense, Adjusted general and administrative expense and Adjusted operating expenses. These non-GAAP financial measures exclude the following items from Glu's unaudited consolidated statements of operations:

- *Change in deferred platform commissions;*
- *Change in deferred royalties;*
- *Impairment and amortization of intangible assets;*
- *Non-cash warrant expense;*
- *Stock-based compensation expense;*
- *Litigation costs;*
- *Restructuring charges; and*
- *Transitional costs.*

Bookings do not reflect the deferral of certain game revenue that Glu recognizes over the estimated useful lives of paying users of Glu's games and excludes changes in deferred revenue.

Glu believes that these non-GAAP financial measures, when taken together with the corresponding GAAP financial measures, provide meaningful supplemental information regarding Glu's performance by excluding certain items that may not be indicative of Glu's core business, operating results or future outlook. Glu's management uses, and believes that investors benefit from referring to, these non-GAAP financial measures in assessing Glu's operating results, as well as when planning, forecasting and analyzing future periods. These non-GAAP financial measures also facilitate comparisons of Glu's performance to prior periods.

For a reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, please refer to the tables at the end of this presentation.



Business Update

Nick Earl

President & CEO

Q4 and FY18 Operational and Financial Highlights



- Strong top line performance from our Growth Games – Design Home, Covet Fashion and the TSB franchise
- Q4 bookings of \$98.2M up 18% YoY
- FY18 bookings of \$384.6M up 20% YoY with no new title launches in 2018
- Expanded our adjusted EBITDA margin to double digits in 2018
- Generated \$17.3M of free cash flow in Q4

Q4 and FY18 Growth Game Highlights

Growth Games

- Q4 bookings grew 44% YoY to \$75.9M
- Represented 77% of Q4 bookings vs 63% the same period a year ago
- 2018 bookings grew 53% to \$286.3M

Design Home

- Q4 bookings grew 46% YoY to \$43.9M
- Generated \$157.7M in bookings vs \$97.7M a year ago
- Expect meta features to be integrated and live by end of Q2

Covet Fashion

- Q4 bookings grew 49% YoY to \$14.8M
- Generated \$53.4M in bookings vs \$41.8M a year ago
- Enhancing social layers, adding breadth and hosting real-world community events

Tap Sports Baseball Franchise

- Q4 bookings grew 38% YoY to \$17.2M
- Generated \$75.2M in bookings vs \$47.9M a year ago
- New cover athlete and additional legends for Tap Sports Baseball '19

DESIGN
HOME™



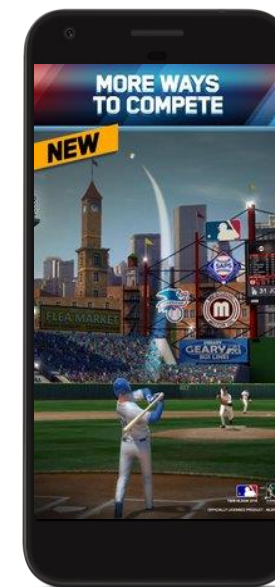
Lifetime
Bookings
\$259.4M

COVET
FASHION™



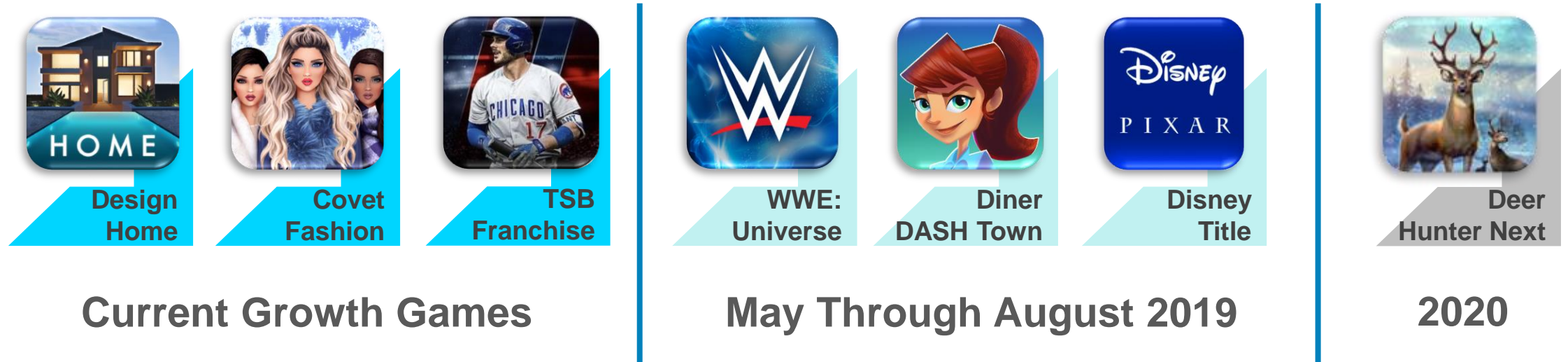
Lifetime
Bookings
\$210.6M

TAP SPORTS
BASEBALL '19



Lifetime
Bookings
\$171.2M

Strong Product Roadmap and Pipeline



2020 pipeline also includes two additional original IP titles in development



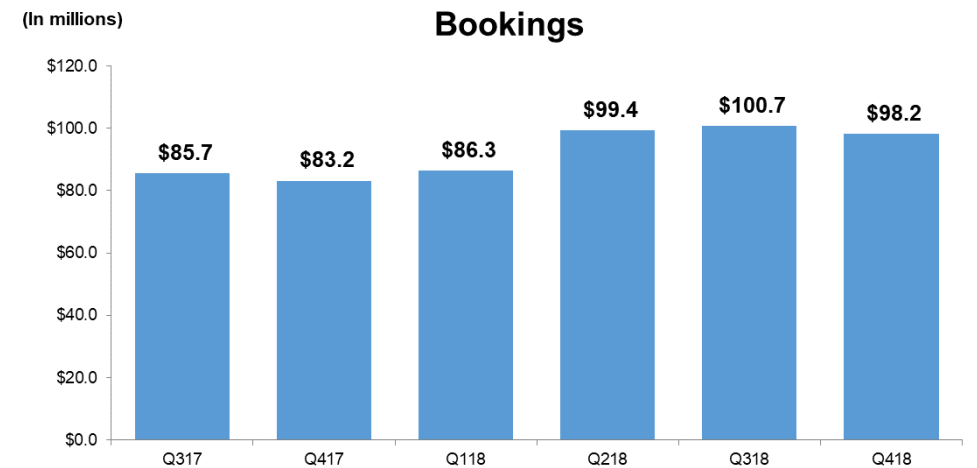
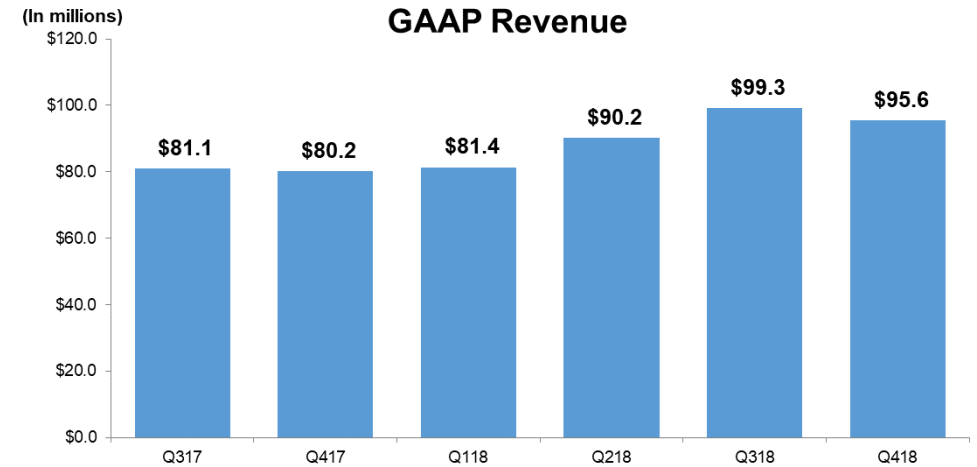
Financial Update and Guidance

Eric R. Ludwig

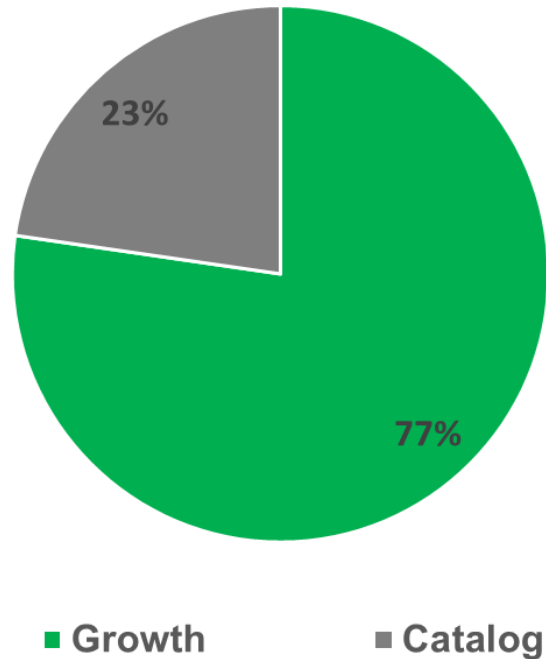
COO & CFO

Q4 Financial Highlights

- Q4 revenue up 19% YoY to \$95.6M
- Q4 bookings up 18% YoY to \$98.2M
- Improved bottom line results
- Generated \$17.3M of free cash flow
- \$97.8M cash balance as of 12/31/18



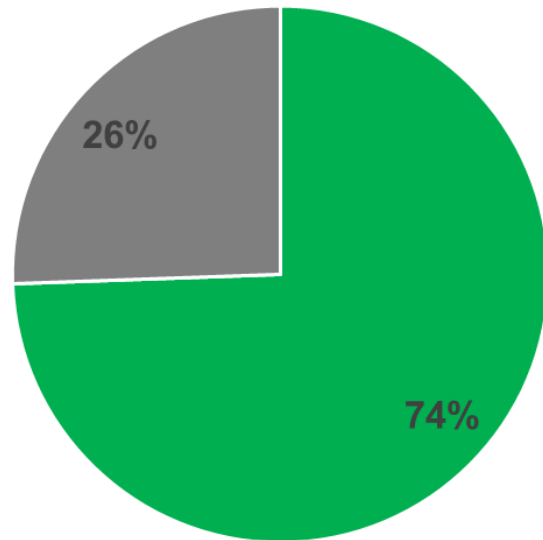
Q418 Bookings Diversity



Bookings (in millions)				
Title	Category	Q417	Q418	YoY %
Design Home	Growth	\$ 30.1	\$ 43.9	45.6%
TSB Franchise	Growth	12.5	17.2	37.7%
Covet Fashion	Growth	10.0	14.8	48.7%
Kim Kardashian Hollywood	Catalog	8.0	9.3	16.5%
Cooking Dash	Catalog	6.5	6.1	(5.0%)
Restaurant Dash	Catalog	5.0	2.2	(55.4%)
Deer Hunter 2018	Catalog	3.6	1.7	(53.0%)
All Other Bookings	Catalog	7.5	3.0	(61.2%)
Total Bookings		\$ 83.2	\$ 98.2	18.0%

Total Growth	\$ 52.6	\$ 75.9	44.3%
Total Catalog	30.6	22.3	(27.2%)
Total Bookings	\$ 83.2	\$ 98.2	18.0%

FY18 Bookings Diversity



■ Growth ■ Catalog

Bookings (in millions)				
Title	Category	2017	2018	YoY %
Design Home	Growth	\$ 97.7	\$ 157.7	61.4%
TSB Franchise	Growth	47.9	75.2	57.0%
Covet Fashion	Growth	41.8	53.4	27.8%
Kim Kardashian Hollywood	Catalog	27.3	34.8	27.2%
Cooking Dash	Catalog	26.8	25.8	(3.7%)
Restaurant Dash	Catalog	26.4	13.4	(49.3%)
Deer Hunter 2018	Catalog	16.3	7.8	(52.4%)
All Other Bookings	Catalog	36.2	16.5	(54.3%)
Total Bookings		\$ 320.4	\$ 384.6	20.0%

Total Growth	\$ 187.4	\$ 286.3	52.8%
Total Catalog	133.0	98.3	(26.1%)
Total Bookings	\$ 320.4	\$ 384.6	20.0%

Strong Performance in Q418

(in millions)		Q417 Actual	Q418 Actual	Y/Y % Change
	Revenue	\$80.2	\$95.6	19.2%
A	Bookings	\$83.2	\$98.2	18.0%
	Cost of Goods Sold			
B	Adjusted Platform Commissions	\$21.5	\$25.5	18.7%
C	Adjusted Royalties	31.7	6.9	(78.2%)
D	Hosting Costs	2.3	1.6	(33.6%)
	Adjusted Operating Expenses:			
E	User Acquisition and Marketing Expenses	21.8	23.4	7.4%
F	Adjusted Other Operating Expenses	29.7	29.8	0.1%
G	Depreciation Add Back	\$0.8	\$1.0	29.4%
	Basic and Diluted Shares Outstanding	137.7	143.5	4.2%

(A - B - C - D - E - F + G) = adjusted EBITDA

Healthy Balance Sheet to Support Expected Growth

(in millions)	Q417	Q318	Q418
Cash and cash equivalents	\$ 63.8	\$ 80.8	\$ 97.8
Accounts receivable, net	34.7	38.0	27.3
Prepaid expenses, royalties and other current assets	39.1	44.6	45.8
Other assets	27.2	19.2	18.1
Intangible assets & goodwill	134.5	127.4	125.4
Total Assets	\$ 299.3	\$ 310.0	\$ 314.4
Accounts payable and accrued liabilities	\$ 22.4	\$ 18.7	\$ 11.9
Accrued expenses, royalties and other liabilities	45.7	36.2	39.5
Deferred revenue	77.4	83.2	85.7
Common stock/Paid in capital	589.9	611.1	617.8
Accumulated deficit & other comprehensive income	(436.1)	(439.2)	(440.5)
Total Liabilities and Stockholders' Equity	\$ 299.3	\$ 310.0	\$ 314.4

Condensed Cash Flow

(in millions)	Q317	Q417	Q118	Q218	Q318	Q418
Cash, cash equivalents, and restricted cash at beginning of the period*	\$ 68.9	\$ 63.5	\$ 64.4	\$ 48.9	\$ 61.6	\$ 80.9
Other cash generated from/(used in) operations	3.0	8.5	(12.4)	13.4	17.7	19.2
Cash paid for royalty advances	(3.9)	(3.4)	(4.1)	(1.1)	(0.1)	(0.4)
Net cash generated from/(used in) operations	(0.9)	5.1	(16.5)	12.3	17.6	18.8
Net cash provided by/(used in) investing activities*	(4.6)	(8.3)	0.7	0.4	(0.3)	(1.5)
Net cash provided by/(used in) financing activities	0.2	4.0	0.3	0.2	2.0	(0.3)
Effect of exchange rate changes on cash	(0.1)	0.1	0.0	(0.2)	0.0	0.0
Net increase / (decrease) in cash, cash equivalents, and restricted cash	\$ (5.4)	\$ 0.9	\$ (15.5)	\$ 12.7	\$ 19.3	\$ 17.0
Cash, cash equivalents, and restricted cash at end of period*	\$ 63.5	\$ 64.4	\$ 48.9	\$ 61.6	\$ 80.9	\$ 97.9
Reconciliation of cash, cash equivalents, and restricted cash*						
Cash and cash equivalents at end of period	\$ 62.9	\$ 63.8	\$ 48.3	\$ 61.5	\$ 80.8	\$ 97.8
Restricted cash balance	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.1	\$ 0.1	\$ 0.1
Cash, cash equivalents, and restricted cash at end of period*	\$ 63.5	\$ 64.4	\$ 48.9	\$ 61.6	\$ 80.9	\$ 97.9

* In 2018, the Company adopted Accounting Standards Update (“ASU”) 2016-18, Restricted Cash. The beginning and ending period balances now include restricted cash and changes in restricted cash line item is removed from cash flow from investing activities in accordance with the new standard. The quarterly cash flow presentation for FY 2017 has also been adjusted to conform with the presentation under the new guidance.

Q119 Non-GAAP Guidance

(in millions)		Q418 Actual	Q119 Guidance	
			Low	High
A	Bookings	\$98.2	\$88.0	\$90.0
	Cost of Goods Sold			
B	Adjusted Platform Commissions	25.5	23.1	23.6
C	Adjusted Royalties	6.9	4.4	4.5
D	Hosting Costs	1.6	1.5	1.5
	Adjusted Operating Expenses:			
E	User Acquisition and Marketing Expenses	23.4	21.4	21.7
F	Adjusted Other Operating Expenses	29.8	31.6	31.7
G	Depreciation Add Back	\$1.0	\$1.0	\$1.0
	Basic Shares Outstanding	143.5	145.4	145.4
	Diluted Shares Outstanding	143.5	159.0	159.0

(A - B - C - D - E - F + G) = adjusted EBITDA

2019 Growth Expectations

(In millions)

	2018	2019:		2019 Range		2019: %	
Category	Actuals	Low	High	Low	High	Low	High
Growth	\$286.3	21%	25%	\$346.4	\$356.6	16%	18%
Catalog*	98.3	-30%	-30%	68.6	68.4	-8%	-8%
Total Core	\$384.6			\$415.0	\$425.0	8%	11%
Diner DASH Town & WWE				20.0	20.0		
Total	\$384.6			\$435.0	\$445.0	13%	16%

2019 growth of 13% to 16% excludes contribution from Disney/Pixar Title

* Catalog category includes both Evergreen and Legacy portfolios

FY19 Non-GAAP Guidance

(in millions)		FY 2018 Actual	FY 2019 Guidance	
			Low	High
A	Bookings	\$384.6	\$435.0	\$445.0
	Cost of Goods Sold			
B	Adjusted Platform Commissions	100.8	113.0	116.0
C	Adjusted Royalties	26.9	27.0	28.0
D	Hosting Costs	6.7	6.5	7.0
	Adjusted Operating Expenses:			
E	User Acquisition and Marketing Expenses	95.1	102.0	103.0
F	Adjusted Other Operating Expenses	117.3	137.5	138.0
G	Depreciation Add Back	\$3.9	\$4.0	\$4.0
	Basic Shares Outstanding	143.5	148.5	148.5
	Diluted Shares Outstanding	143.5	162.6	162.6
Cash and Cash Equivalents Balance		\$97.8	At least \$150.0M	

(A - B - C - D - E - F + G) = adjusted EBITDA

Note: 2019 guidance does not include contribution from the Disney/Pixar Title

Margin Targets

The Company believes the following adjusted EBITDA margins are achievable:

- **\$500M Bookings* = 15% to 20% adjusted EBITDA**
- **\$750M+ Bookings* = Additional margin improvement**

*These bookings figures are being used to illustrate potential margin targets and should not be treated as forecasts or projections of our bookings. We cannot assure you that we will achieve any particular growth rate and our bookings may not grow at all. Our performance is subject to many material risks and uncertainties that could cause our actual performance to fall short of these goals, including the risks discussed in our Quarterly Report on Form 10-Q filed with the SEC on November 8, 2018 and our other SEC filings.

Q&A



Non-GAAP Reconciliations & Other Operating Metrics

GAAP to Adjusted Results Reconciliation

(in thousands)
(unaudited)

	September 30, 2017	December 31, 2017	For the Three Months Ended		September 30, 2018	December 31, 2018
			March 31, 2018	June 30, 2018		
GAAP platform commissions	\$ 21,063	\$ 20,787	\$ 21,729	\$ 23,250	\$ 25,650	\$ 24,756
Change in deferred platform commissions	1,107	707	1,477	2,768	413	760
Adjusted platform commissions	\$ 22,170	\$ 21,494	\$ 23,206	\$ 26,018	\$ 26,063	\$ 25,516
GAAP royalties (including impairment of royalties and minimum guarantees)	\$ 6,473	\$ 31,311	\$ 5,506	\$ 6,631	\$ 7,141	\$ 6,784
Change in deferred royalties	(153)	355	15	767	(70)	122
Adjusted royalties	\$ 6,320	\$ 31,666	\$ 5,521	\$ 7,398	\$ 7,071	\$ 6,906
GAAP operating expense	\$ 61,880	\$ 56,267	\$ 57,490	\$ 60,181	\$ 60,968	\$ 62,062
Stock-based compensation	(3,575)	(4,424)	(6,308)	(5,343)	(5,879)	(7,062)
Transitional costs	(506)	(336)	(919)	(13)	-	(598)
Litigation costs	-	-	-	-	(717)	(1,217)
Restructuring charge	(1,402)	21	(80)	-	(160)	-
Adjusted operating expense	\$ 56,397	\$ 51,528	\$ 50,183	\$ 54,825	\$ 54,212	\$ 53,185
GAAP research and development expense	\$ 22,004	\$ 21,395	\$ 22,710	\$ 22,832	\$ 23,839	\$ 25,553
Transitional costs	(90)	(179)	(860)	(6)	-	(598)
Stock-based compensation	(1,521)	(1,940)	(3,199)	(2,728)	(3,062)	(3,818)
Adjusted research and development expense	\$ 20,393	\$ 19,276	\$ 18,651	\$ 20,098	\$ 20,777	\$ 21,137
GAAP sales and marketing expense	\$ 29,776	\$ 26,341	\$ 26,810	\$ 29,741	\$ 28,874	\$ 28,435
Stock-based compensation	(283)	(466)	(653)	(609)	(660)	(873)
Adjusted sales and marketing expense	\$ 29,493	\$ 25,875	\$ 26,157	\$ 29,132	\$ 28,214	\$ 27,562
GAAP general & administrative expense	\$ 8,698	\$ 8,552	\$ 7,890	\$ 7,608	\$ 8,095	\$ 8,074
Transitional costs	(417)	(157)	(59)	(7)	-	-
Stock-based compensation	(1,771)	(2,018)	(2,456)	(2,006)	(2,157)	(2,371)
Litigation costs	-	-	-	-	(717)	(1,217)
Adjusted general and administrative expense	\$ 6,510	\$ 6,377	\$ 5,375	\$ 5,595	\$ 5,221	\$ 4,486
Other supplemental financial information						
Depreciation	\$ 827	\$ 747	\$ 976	\$ 961	\$ 950	\$ 968
Foreign currency exchange (gain)/loss	(78)	17	86	369	26	99
Income tax provision/(benefit)	(1,057)	420	175	207	118	49

GAAP to Adjusted Results Reconciliation

(in millions)
(unaudited)

		For the Three Months Ended					
		September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
A	Bookings	\$ 85.7	\$ 83.2	\$ 86.3	\$ 99.4	\$ 100.7	\$ 98.2
	Cost of Goods Sold						
B	Adjusted Platform Commissions	22.2	21.5	23.2	26.0	26.1	25.5
C	Adjusted Royalties	6.3	31.7	5.5	7.4	7.1	6.9
D	Hosting Costs	1.8	2.3	1.8	1.7	1.6	1.6
	Adjusted Operating Expenses						
E	User Acquisition and Marketing Expenses	25.7	21.8	22.2	25.3	24.2	23.4
F	Adjusted Other Operating Expenses	30.7	29.7	28.0	29.5	30.0	29.8
G	Depreciation Add Back	0.8	0.8	1.0	0.9	1.0	1.0
	Basic and Diluted Shares Outstanding	135.7	137.7	139.1	140.5	142.4	143.5

A-B-C-D-E-F+G = adjusted EBITDA

Key Operating Metrics

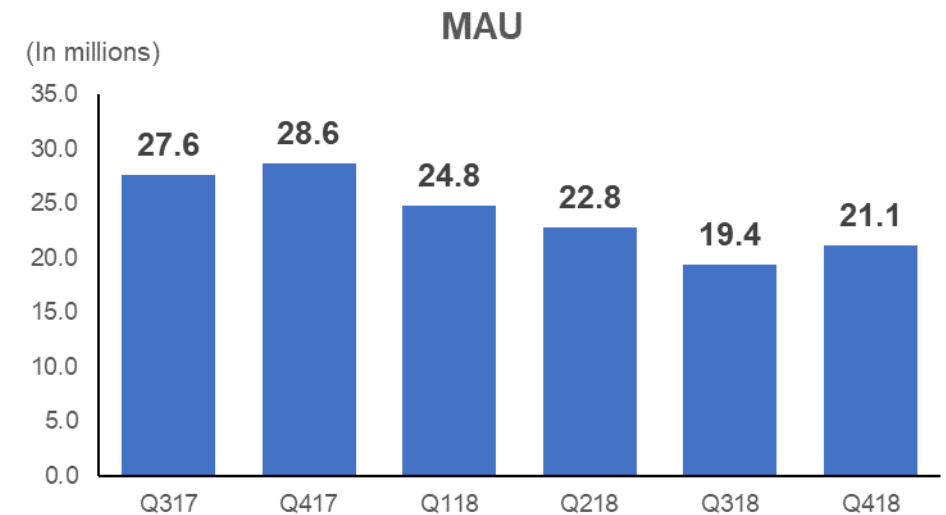
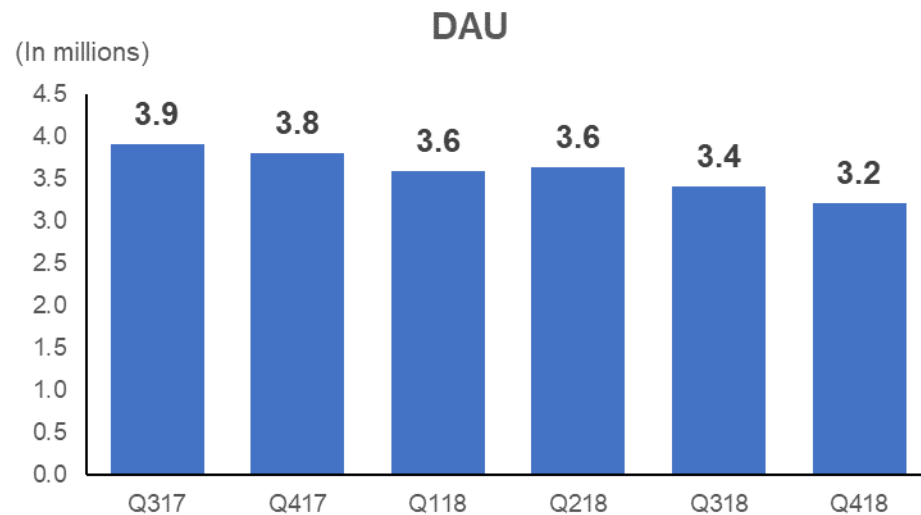
	Actual Q317	Actual Q417	Actual Q118	Actual Q218	Actual Q318	Actual Q418
Total Bookings (in millions)	\$85.7	\$83.2	\$86.3	\$99.4	\$100.7	\$98.2
Total Bookings Growth Q/Q	4%	(3%)	4%	15%	1%	(2%)
Total Bookings Growth Y/Y	67%	44%	25%	20%	18%	18%
Original IP % of Total Bookings	63%	65%	69%	63%	64%	70%
Total Ad Bookings (in millions)	\$12.4	\$12.2	\$9.4	\$13.0	\$14.2	\$13.5
Ad Revenue as a % of Bookings	14%	15%	11%	13%	14%	14%
Total Ad Bookings Y/Y	49%	34%	(1%)	12%	14%	11%
User Acquisition and Marketing Expense (in millions)	25.7	21.8	22.2	25.3	24.2	23.4
Adjusted Other Operating Expenses (in millions)	30.7	29.7	28.0	29.5	30.0	29.8
Adjusted Total Operating Expenses (in millions)	\$56.4	\$51.5	\$50.2	\$54.8	\$54.2	\$53.2
User Acquisition and Marketing Expenses as % of Total Bookings	30%	26%	26%	25%	24%	24%
Adjusted Other Operating Expenses as % of Total Bookings	36%	36%	32%	30%	30%	30%
Headcount* (at quarter-end)	662	548	588	617	639	659
Daily Active Users (DAU)** (in millions)	3.9	3.8	3.6	3.6	3.4	3.2
Monthly Active Users (MAU)** (in millions)	27.6	28.6	24.8	22.8	19.4	21.1
Installs (in millions)	47.6	41.7	37.2	32.8	32.5	29.0
Cumulative Installs (in millions)	1,700.8	1,742.5	1,779.7	1,812.5	1,845.0	1,874.0
In-App Purchase Billable Transactions (in millions)	9.5	9.4	10.7	11.9	11.7	12.4
Average Bookings per Billable Transaction	\$7.69	\$7.54	\$7.17	\$7.27	\$7.39	\$6.85

*FTE only, excludes contractors, temporary employees and consultants. Q417 excludes headcount related to the Moscow sale.

**DAU & MAU reflects the DAU & MAU figures for the last month of the quarter

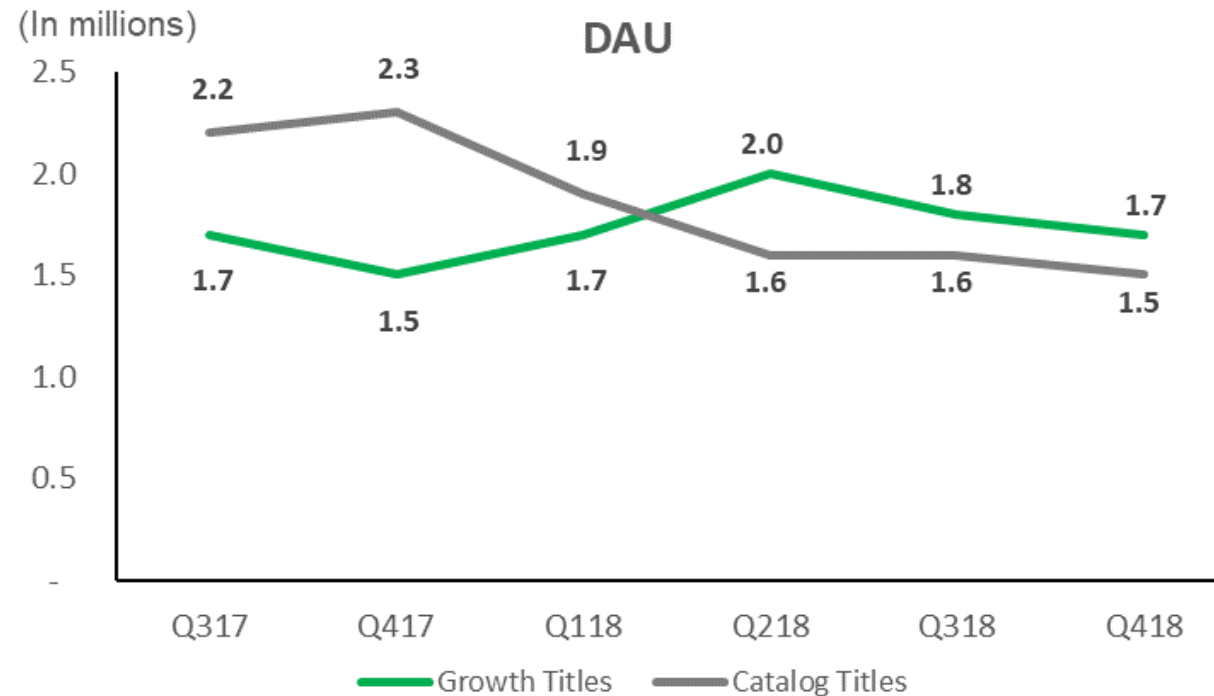
Appendix

DAU and MAU Trends



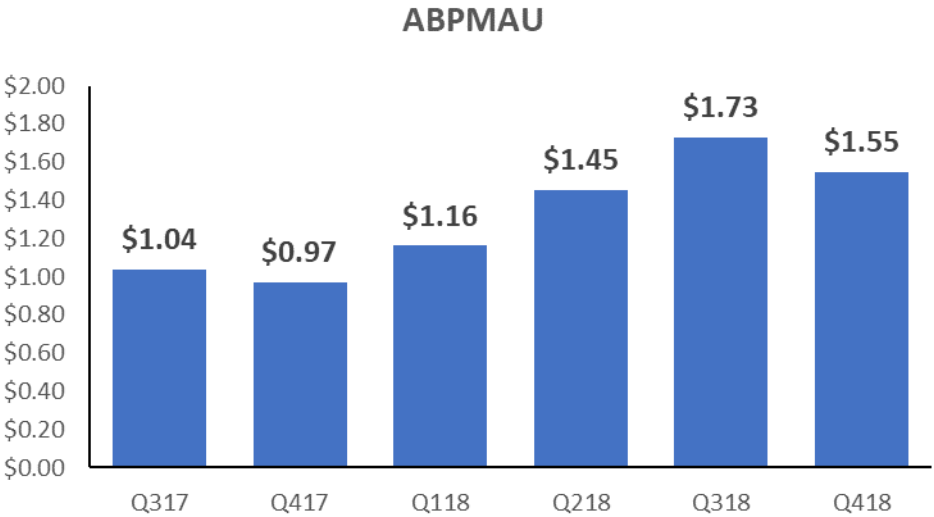
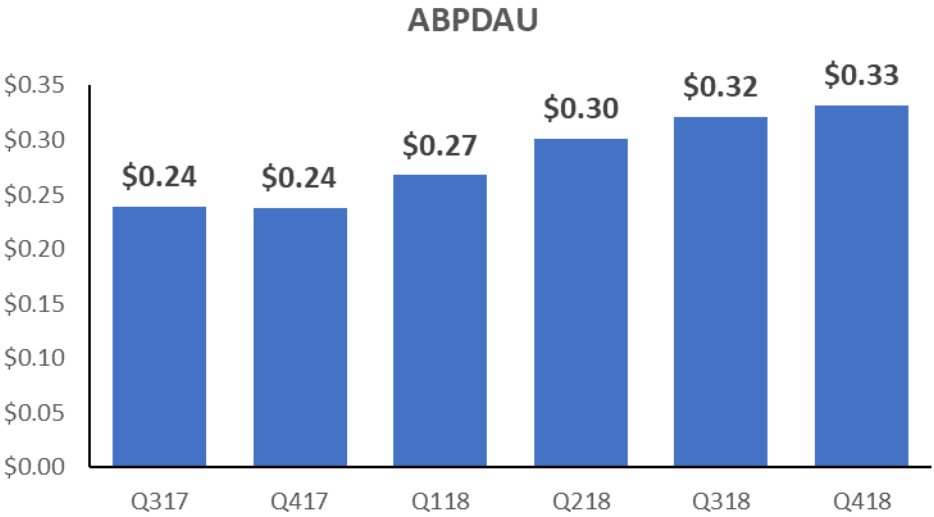
Aggregate DAU and MAU for each period presented represents the aggregate metric for the last month of the period. An individual who plays two different games in the same month is counted as two active users for that month when we aggregate DAU and MAU across games. In addition, an individual who plays the same game on two different devices during the same month (e.g., an iPhone and an iPad) is also counted as two active users for each such month when we average or aggregate DAU and MAU over time. Our methodology for calculating DAU and MAU may differ from the methodology used by other companies to calculate similar metrics.

DAU by Category Trends



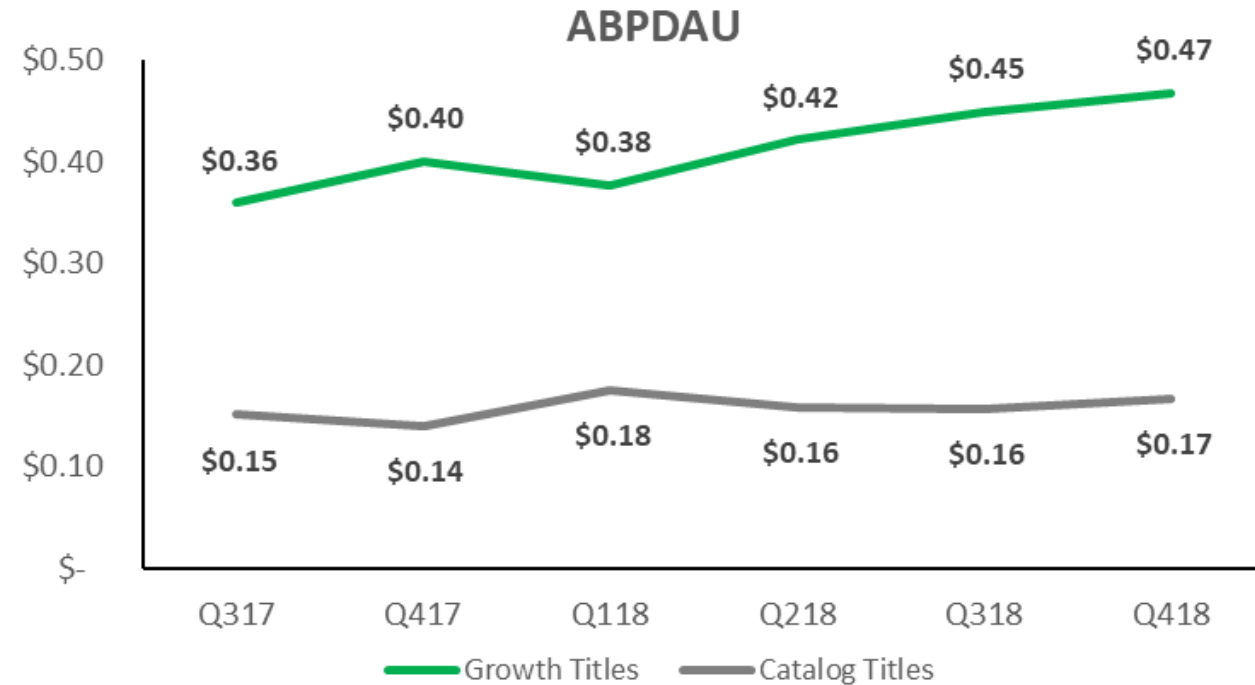
Aggregate DAU for each period presented represents the aggregate metric for the last month of the period. An individual who plays two different games in the same month is counted as two active users for that month when we aggregate DAU across games. In addition, an individual who plays the same game on two different devices during the same month (e.g., an iPhone and an iPad) is also counted as two active users for each such month when we average or aggregate DAU over time. Our methodology for calculating DAU may differ from the methodology used by other companies to calculate similar metrics.

ABPDAU and ABPMAU Trends



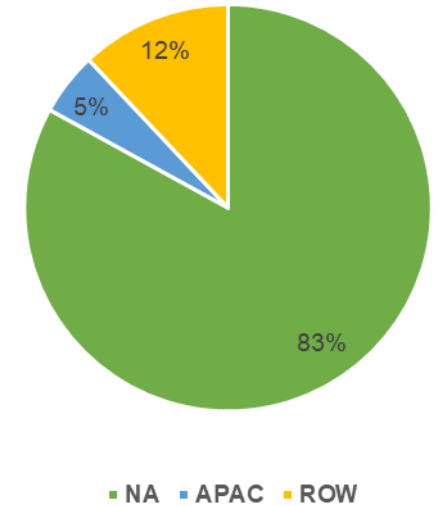
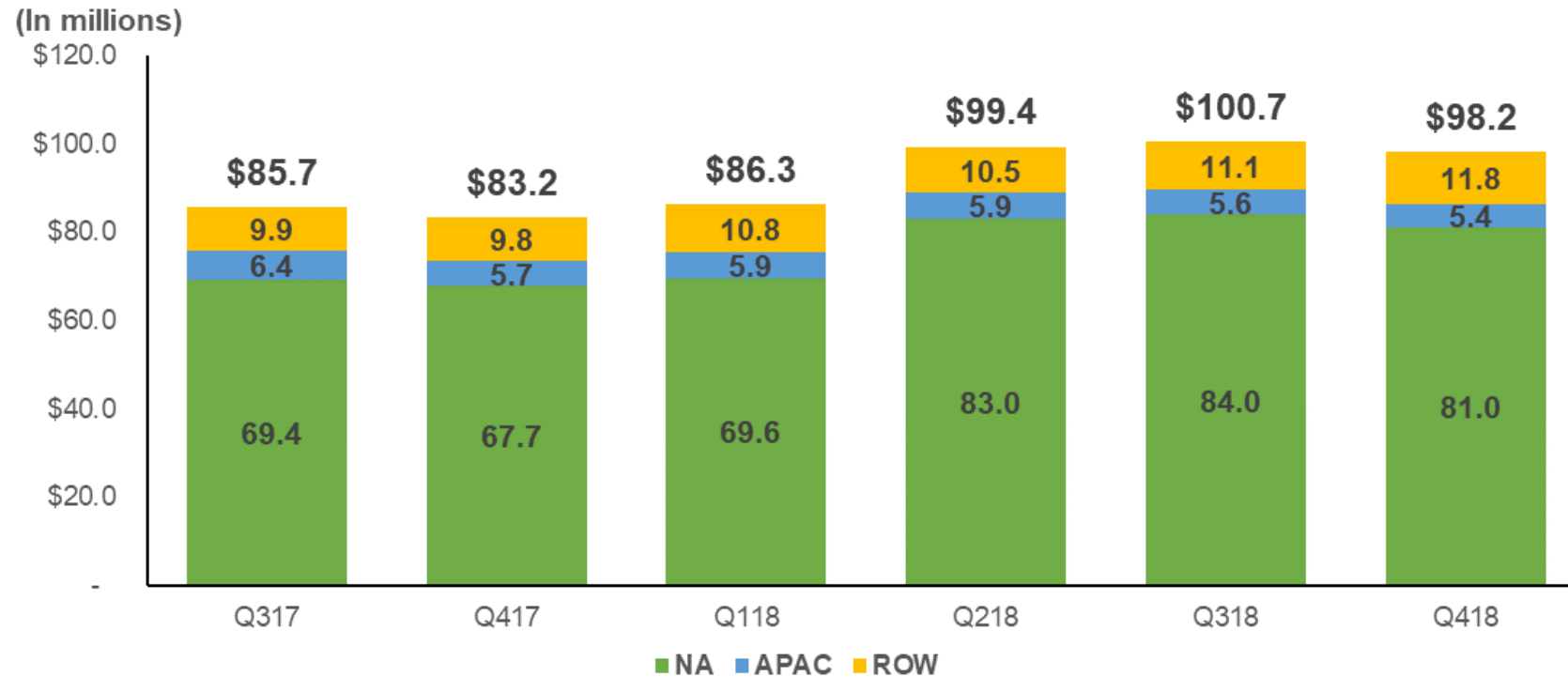
Average bookings per DAU ("ABPDAU") is computed as our total bookings in a given period, divided by the number of days in that period, divided by the DAU during the period. Average bookings per MAU ("ABPMAU") is computed as our total bookings in a given period, divided by the number of months in that period, divided by the MAU during the period. Aggregate DAU and MAU for each period presented represents the aggregate metric for the last month of the period.

ABPDAU by Category Trends

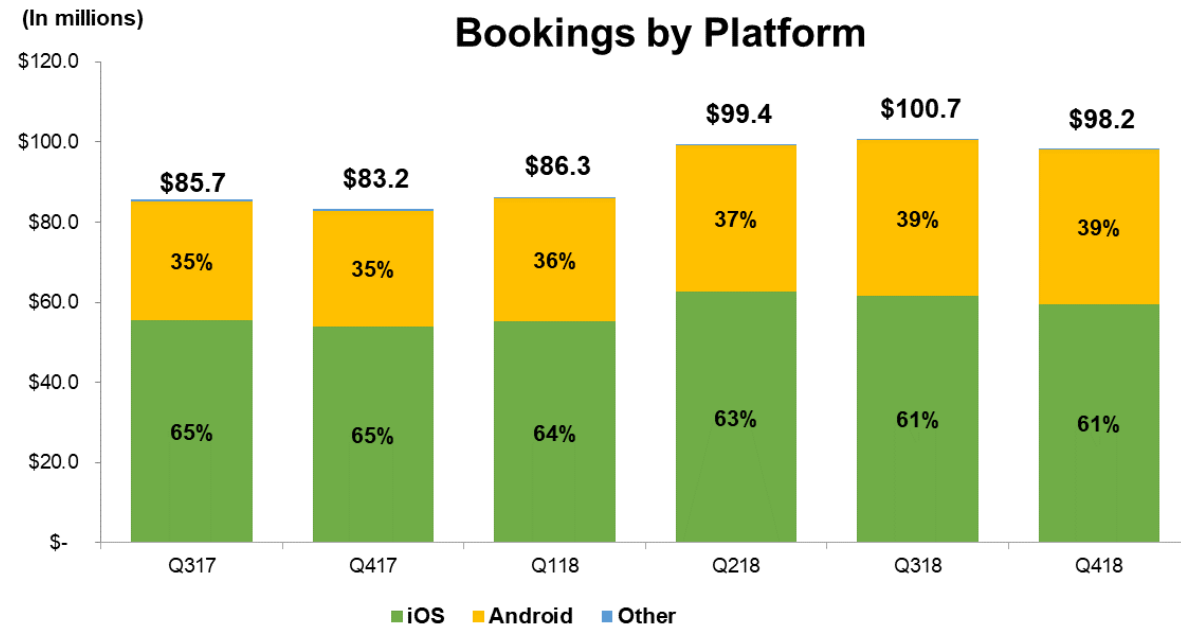
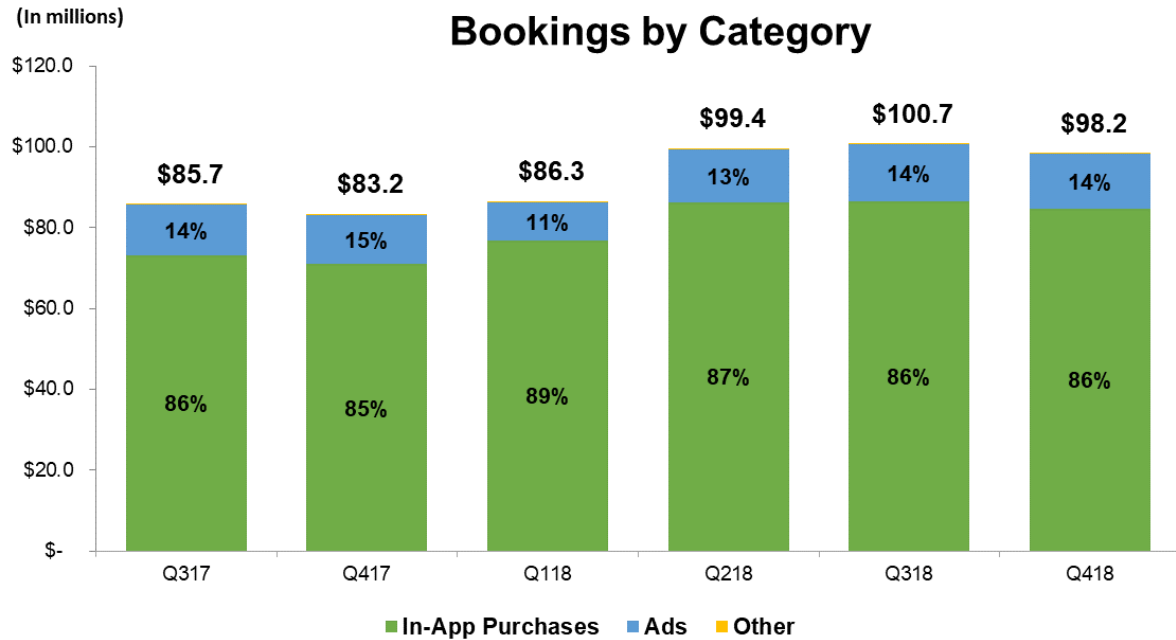


Average bookings per DAU ("ABPDAU") is computed as our total bookings in a given period, divided by the number of days in that period, divided by the DAU during the period. Aggregate DAU for each period presented represents the aggregate metric for the last month of the period.

Q418 Bookings by Geography



Bookings Mix



Advertising Bookings

